

**Introduced by Senator Harman**

February 23, 2012

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An act to add Section 100509 to the Government Code, relating to health care coverage.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1321, as introduced, Harman. Essential health benefits.

Commencing January 1, 2014, existing law, the federal Patient Protection and Affordable Care Act (PPACA), requires a health insurance issuer that offers coverage in the small group or individual market to ensure that such coverage includes the essential health benefits package, as defined. PPACA requires each state to, by January 1, 2014, establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans by qualified individuals and qualified small employers. PPACA defines a qualified health plan as a plan that, among other requirements, provides the essential health benefits package. Existing state law creates the California Health Benefit Exchange to facilitate the purchase of qualified health plans by qualified individuals and qualified small employers by January 1, 2014.

This bill would require the board of the California Health Benefit Exchange to determine the average premium per enrollee or insured for each health plan listed as an optional benchmark plan in regulations adopted pursuant to PPACA. The bill would require that the plan with the lowest average premium per enrollee or insured set the benchmark for items and services to be included in the definition of essential health benefits under PPACA. The bill would specify that its provisions shall only be implemented to the extent consistent with regulations adopted pursuant to PPACA.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 100509 is added to the Government Code,  
2     to read:  
3     100509. (a) The board shall determine the average premium  
4     per enrollee or insured for each health plan listed as an optional  
5     benchmark plan in regulations adopted pursuant to Section 1302  
6     of the federal Patient Protection and Affordable Care Act (42  
7     U.S.C. Sec. 18022). The board's determinations pursuant to this  
8     section shall be posted on its Internet Web site and submitted to  
9     the Assembly Committee on Health and the Senate Committee on  
10    Health.  
11    (b) The health plan with the lowest average premium per  
12    enrollee or insured, as determined by the board under subdivision  
13    (a), shall set the benchmark for items and services to be included  
14    in the definition of essential health benefits under Section 1302 of  
15    the federal Patient Protection and Affordable Care Act (42 U.S.C.  
16    Sec. 18022).  
17    (c) This section shall only be implemented to the extent  
18    consistent with regulations adopted by the United States  
19    Department of Health and Human Services under Section 1302 of  
20    the federal Patient Protection and Affordable Care Act (42 U.S.C.  
21    Sec. 18022).

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